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THE ACQUISITION OF PRIVATE WATER PLANTS BY MUNICIPALITIES

By B. M. Wagner

The first attempt at a scientific analysis of the above subject seems to have been made by Mr. Wynkoop Kiersted in a paper published in the *Transactions of the American Society of Civil Engineers* in 1897. Mr. Kiersted in that paper foreshadows the now generally adopted idea of a going value in addition to the physical value of the plant proper, as may be seen from the following extract:

> The present value of a plant embraces both the plant and the business resulting from the use of the plant.

Since that time much has been written on the question of valuation, etc., for the purpose of rate making, and comparatively little on the valuation of a plant for the purpose of condemnation.

With the increase of the practice of establishing state commissions having jurisdiction over all matters of public utility, prospects are good for some uniform method of valuation for the taking over of such properties being formulated. At present, where a water works plant is to be taken over by a municipality, it is generally acquired by one of the following methods:

1. Voluntary agreement.
2. By a definite provision contained in original franchise.
3. By due process of law, as where a water works company has violated some of the terms of its franchise.
4. By direct legislative action.
5. By action on the part of the Public Service Commission having jurisdiction.
6. Where a smaller municipality has been absorbed by a larger one, the original rights are nullified.

1. In case of a voluntary agreement it is customary, after the general terms of the taking over have been agreed upon, to legalize such action by a local ordinance, or by a vote of the citizens of the municipality. Such an ordinance usually fixes the number of, and method of appointing official appraisers, etc. The usual practice is

to have three appraisers, one to be selected by each party to the agreement, and the two selected to select the third. As a rule such voluntary agreements provide that both parties will accept as final the decision of the appraisers, and the results will largely depend on the ability and honesty of the men selected.

2. In some states all franchises are limited by law so as to give the community served the right to take over the works of a water works company at any time, upon due notice and after an appraisal, the rules for which are fixed either by the franchise itself or by the laws of the state. Maine and Wisconsin are among the states that provide for such indeterminate franchises. In other states franchises are only granted for limited periods with provisions for renewals or taking. Even when no general state regulation exists it has been the practice in some localities to provide for the contingency of a possible taking, and the method to be followed, by due provision in the franchise.

3. Where a water works company operates under a franchise that contains definite stipulation to pressure, quality of water, service, etc., and it violates any of these stipulations, it can be deprived of its franchise by law, and the community affected can, in such an event, either take over the plant at a legally determined valuation, or it can build its own plant. To quote a case in point:

> **In a certain village where the supply was adjudged inadequate, the village obtained not only the right to construct and operate its own plant, but was also given the right to enforce a tax on the offending water company's property for the purpose of installing such a municipal water plant. See Beauty Springs Water Company *vs.* Village of Lyons Falls, New York—134 N.Y., S. 290.**

4. Where a water works company is operating under a perpetual, or a long term franchise that has not expired, and the community served by said company desires to acquire the water works property, it can do so by direct action through the state legislature, under what is known as the right of "eminent domain." The United States Supreme Court has ruled that "eminent domain" is superior to franchise rights and that a franchise is merely property, and as such may be taken for the public good, provided that the same is taken in such a manner as will not violate the fifth and fourteenth amendments of the Constitution of the United States. (Sec. 166 U. S., p. 693 and 115 U. S., p. 673.) In other words, a franchise, perpetual or

otherwise, is property, and has a value that can be legally determined. The franchise as well as other property may be taken for the public good, provided that its owner is paid a legally determined fair value. In law a corporation has the same status as a person.

5. Where a water works plant is taken over under Public Service Commission regulations, it is simply a matter of action under a legislative function that has been delegated by the Legislature to the Commission.

In the Contra Water Company case, the United States Supreme Court decided that the legislature had the right to delegate any of its functions to a commission or other subordinate body, and such commission had in all matters so delegated, all legislative powers when exercised in the manner for it provided.

6. The only case the author can find where a water company lost what it claimed were exclusive rights by the annexation of a community served to a larger political body, was that of the Rogers Park Water Company, operating in a village that was annexed to Chicago. The word "exclusive" appeared in the original franchise, but the Appelate Court ruled as follows:

> But certainly the fact that the life of the corporation which is alleged to have made the exclusive and estopping contract has ceased, that the territory involved has become a part of the city of Chicago, that in consequence the taxing power of the city has extended itself over the inhabitants thereof, and that their property must be taxed equally with all other citizens of Chicago to make up a deficit in the water revenue of the city, if there should be one, does not detract from the force of the argument against the contention of the appellant. It is not possible on the contrary, that the citizens composing the village of Rogers Park, now a part of the city of Chicago have a legal, equitable and moral right to demand that the city of Chicago should give them their water supply on the same terms it gives such supply to other citizens.

No matter what method is adopted for taking over a water company property, the one thing insisted upon by commissions and courts alike is "that the price to be paid must be the fair value of the property taken at the time of taking." Both commissions and courts, however, are very chary of defining strictly what constitutes a fair value. The various elements that enter into a valuation may be defined as follows:

1. The value of the physical plant.
2. The value of the franchise (if any).
3. The going concern value.

4. The market value.

The allowed value may be any one of, or a combination of the above elements, depending upon circumstances and the appraisers.

PHYSICAL VALUE

This may be arrived at in various ways, some of which are enumerated below:

(a) Actual original cost.
(b) Actual original cost, less depreciation and plus appreciation.
(c) Cost of reproduction, new.
(d) Cost of reproduction, new, less depreciation, etc.
(e) Cost by valuation inspection.

In getting at the cost or value of the physical plant, the actual original cost can seldom be ascertained. As a rule a water works system does not come into being as a complete and finished unit, but is constructed piecemeal in a manner that the growth of the community and its demands for water warrant. As the plant begins to depreciate from the moment it is put into service, and additions are made from time to time, it is easy to see that no allowance that does not take into account both of the above factors will be a fair one.

Land value and water rights, on the other hand, may sensibly increase in value, and obsolete or inadequate machinery may be abandoned or scrapped. Taking into account all these factors, the courts and commissions, as a rule, have adoped the "Cost of reproduction, new, less depreciation method," as the fairest to both sides. Such "cost of reproduction" need not necessarily mean an exact duplication of the existing plant. The courts have decided that such cost shall be understood as for a plant of like capacity and efficiency. The most recent ruling of the United States Supreme Court was that the value to be fixed was to be obtained by deducting depreciation from the cost of reproduction, new. Such cost of reproduction may be based on present conditions and prices, or present prices and original conditions, or on original prices and conditions. Marked differences of opinion exist as to which of the above methods is correct.

The courts favor existing conditions and prices, which seems right, as what is sought is the fair value of the property to be taken at the present time. A special committee of the American Society of Civil

Engineers, however, in a report on valuation for rate making, seem to favor using present prices and original conditions. They cite to fortify their attitude the damages, etc., allowed for, apart from the actual price of land, the moving of buildings, and other factors that were met with in the building of the Wachusett reservoir. As indicating the attitude of the courts, however, it may be here stated that, in a recent Minnesota Railroad case, the United States Supreme Court ruled that the value to be allowed for land would be only what other land in the same vicinity was worth now. In an article written by Mr. Alton D. Adams on the valuation of water works, in 1912, he advocates the using of present prices in connection with actual inventory, deducting from the value so obtained the depreciation. He advocates further reductions or deductions in the following cases:

1. No allowance for discarded types of machinery or other equipment of such a nature that no one would think of duplicating at the present time.
2. No allowance for parts of plant abandoned, i.e., not in use because replaced by newer or better equipment. He quotes as an instance a case where an entire pumping station was not valued because it had become inadequate and had been replaced by a larger station.
3. No allowance for mains that are too small to properly perform their functions. He quotes in this instance a case where large amounts of 3 inch and 4 inch pipe were omitted from a valuation as these sizes were considered too small to be of any use whatsoever for fire protection. Other authorities, however, contend that such pipes, if actually in use, must be allowed for.
4. Where the present increased value of land could only be realized by scrapping or removing the plant, and so incurring a loss, he advocates allowing only such value for the land as would cover the cheapest land that could be acquired, in a locality equally desirable and useful for the purpose intended, as the land to be taken. Mr. Adams quotes a case where the land was valued at $150,000, but the court only allowed $15,000 for the purpose of the valuation. As he does not give the details of the case, it may, however, have been a rate valuation.

Depreciation has been defined by a recent writer on the subject as "the lessened money value caused by physical deterioration or by lack of adaptation to function." Needless to say that the measure of deterioration is not always the measure of depreciation. The methods of arriving at the measure or extent of depreciation are practically the same as are used in rate cases, namely: actual appraisal, calculation on the sinking fund method, calculation on the straight line method. The only one of these methods that seems to be a proper and fair one is the actual appraisal method. Both the sinking fund and straight line methods, with their assumption in the first place of a value arrived at by deducting from the actual cost of sum representing the accummulation of annual cost increments for the past life of the plant or article being valued, are fallacious, and to the author's mind both these methods find their application only in rate fixing. The value as given by either of them is not applicable to purchase cases.

The actual value can best be obtained by an actual personal appraisal, and must be measured by the actual probable remaining life value of the equipment appraised and the scrap value at the end of such life. For instance, a pump or boiler may have theoretically ten years of life remaining, but conditions may be such that it will have to be replaced in a much shorter time, or, on the other hand, it may have been so well maintained that its probable useful life will greatly exceed its theoretical life. In either case only a direct appraisal would be a just criterion of its value.

Appreciation, as a rule, is only possible in the item of land or water rights. In both these cases appreciation, if any exists, should be allowed for. However, in the case of land, values only attainable by losses on other parts of plant should be properly diminished. Discarded or unused plant should be excluded from valuation, or, at the most, its scrap value allowed. The Wisconsin Commission excludes all discarded or unused property except such as is retained for emergency reserve. The court decisions are, in general, to the effect that only property actually used, or useful, in supplying water at the time of valuation shall be valued.

Valuation by direct inspection and appraisal, while it involves in a measure the personal equation of the appraisers, and has, to some extent, fallen into disuse under the commissions, is still used as a check on valuations arrived at by other measures. Book valuation would only be possible where first class continuous written data existed, covering not only first cost, but also the cost of all subsequent additions, and having written off all superseded plant at the time of its being superseded; even then the depreciation would have to be accounted for.

THE VALUE OF THE FRANCHISE

The value of the franchise, where any exists, is nowadays apt to be considered as part of the Going Concern Value, but, as cases have arisen where franchise value as such has been given separate recognition, it may be well to take it up as a separate factor.

A franchise to have any value must have a definite life, and must provide for privileges to the holder that have an actual value. A franchise with only a few years to run, and that permits of a rate regulation, or that is revokable at will or is otherwise subject to regulation, has but little, if any value; on the other hand a perpetual or long term franchise with a fixed scale of rates, that allows its holder to earn an income, giving a large rate of return on capital actually invested, has a value that must be allowed for in a valuation of this kind.

The courts have decided that a franchise is property, and its fair value must be paid when taken for the public good. Various states have different methods of dealing with the Franchise Value question. In Massachusetts municipalities are granted competing franchises unless the water companies agree to sell on such terms as will exclude franchise values. In Wisconsin many water companies have voluntarily given up term franchises for indeterminate commission permits, which, while they secure the companies against competition, cannot be capitalized in cases of municipal purchase.

The date on the life of franchises given in Table No. 1 should be of interest as bearing on the possible franchise value in different states.

GOING CONCERN VALUE

Apart from the value of an operating water works plant as a physical unit, there exists a certain value due to the fact that it is operating, has customers and an income; this value is what is known as "going concern value."

Such a value may or may not, as the case may be, include the franchise value, but in any case it exists independent of a franchise value. Table No. 2 gives a few decisions that have been made on the subject of various valuations, but it is only fair to say here that the tendency nowadays is more and more towards recognition of such going value. The actual measure of this going value is, however, a subject of dispute. Mr. J. W. Alvord states, "going value is the value of the created income, or the cost of reproducing a given income." Mr. Benezette Williams states, "Going value is the potential business value, the amount of which must be determined by the net income which a plant in operation can produce in excess of what a substitute like plant can produce." Mr. Williams and Mr. Alvord agree that the going value is the value of the created income, but differ as to the method of arriving at such value.

The Wisconsin Commission in the Antigo Water Company case, August, 1909, decided that the going value should be measured by actual investment rather than by a valuation of the created income. Mr. Alvord uses what is known as the comparative plant method. In other words he assumes a new plant just starting, and figures what it would have to expend, and what the existing operating plant will receive before the new plant arrives at the same measure of income as the existing plant has.

The New York Public Service Commission, First District, disapproved the comparative plant method. The United States District Court, in a San Francisco rate case, also disapproved the comparative plant method.

The general premises on which going concern values have been based are as follows:

(a) Estimated deficits that would be incurred before a new plant could equal the present business of the established plant.

(b) Estimated deficits that would be incurred before a new plant would be on a paying basis.

(c) Actual deficits that were incurred before the existing plant was brought to a paying basis.

(d) The same as (c) except that from it be deducted all amounts over a fair rate of return on actual investment that the plant has made since it has been on a paying basis.

None of the above rules have any particular court sanction. In most cases the courts have merely made an allowance for going value, but have not in any way indicated by what process their decision was arrived at.

The Wisconsin Commission in the Antigo case used a method based on the rule that "certain costs of development in the first years of a plant's existence may be added to the plant cost charge, and form the 'going concern value.'" The method was as follows:

Beginning with the first year the plant was charged with cost, new extensions, interest, depreciation and operating costs, and credited with the gross earnings of the year. The balance was carried forward to the second year and the process repeated, and so on for each year of the plant life. The balance, at the end of the last year considered, was regarded as the value of the plant on an earning basis at the end of the period.

In 1911 in the case of the city of Marinette *vs.* City Water Company, the commission decided that the amount by which the earning value exceeds original cost plus extensions is to be taken as the measure of going value. The commission states, however, that not all failures to earn a fair income shall be capitalized as going value. The rule must be applied with care, and must not be taken to include losses due to poor judgment or to lack of ordinary care, foresight and efficiency. The Wisconsin rule, so far as the author can find, has not been put to court test.

In a recent case of "taking," involving a street railway valuation, Mr. B. J. Arnold used the following as one of the methods of getting at the value of the property taken. It is along the line of the method adopted by the Wisconsin Commission, and Mr. Arnold states that it has been used abroad in railroad condemnation cases. The method is as follows:

Take each year the actual investment in the property, deduct the value of all superseded property in the year it was superseded, and estimate what would be a fair return on the net investment. Deduct from such return the net income after paying operating expenses, including maintenance, renewals and taxes, charging to operating expenses all superseded property in the year it was superseded. Then, compound each year the deficit or surplus, as the case may be, between the fair return and the actual net income. The result will be a sum of the accrued losses estimated upon the return at a given reasonable per cent. The total accrued loss plus the physical value will be the fair value of the property.

In general the courts have based their decisions on the value of an established business rather than on the cost of establishing the same as measured by past losses.

Where a water company is operating under a fixed rate franchise, the franchise and going concern values become one, and the value itself may be based on a capitalization of its excess income. Going concern is not considered as representing what is known as goodwill. The highest court in this country has held that, from the nature of the service, a water company is virtually a monopoly, and, as such, no goodwill can exist.

The following examples of actual decisions by the Wisconsin Commission may be of interest:

FOND DU LAC WATER COMPANY, AUGUST 19, 1910

Cost of reproduction, new	$314,439.00
Cost of reproduction, new, less depreciation	281,922.00
Original cost, plus additions to 1910	310,165.00
Earning value at 6 per cent (Market Value)	307,166.00
Commission allowed	320,000.00

APPLETON WATER WORKS COMPANY, SEPTEMBER 7, 1910

Cost of reproduction, new	275,781.00
Cost of reproduction, less depreciation	240,168.00
Commission allowed	255,000.00

MANITOWAI WATER WORKS COMPANY, JUNE 27, 1911

Cost of reproduction, new	$242,510.00
Cost of reproduction, new, less depreciation	223,108.00
Original cost, plus additions to 1910	233,183.00
Earning value at 6 per cent	231,357.00
Commission allowed	236,000.00

The market value of a plant where used includes all elements that go to make up the value of the plant as a business, and is generally based on its earning capacity.

Where a long term or perpetual franchise with fixed rates is involved, the market value seems to be the only reasonable basis for an award. In other words, if, by reason of its franchise, a water works company was allowed to charge rates that gave it a return of more than 6 per cent on its actual outlay, over and above its operating expenses, taxes, depreciation, etc., such surplus income, for the purpose of its unexpired franchise, would have a definite value that would have to be paid for. As a case in point, the following railroad case is quoted, the principle involved being the same:

Mr. B. J. Arnold in the Metropolitan Street Railroad case, 1913, based a value on the following premises:

(1) Rights that now exist will last to 1925.

(2) Net profits for each year estimated by the following method:

(a) Gross receipts, less operating expenses (which include maintenance, depreciation on present value and taxes).

(b) Less fixed interest charges upon depreciated tangible value of the property as then found.

The net returns thus found are discounted at 5 per cent per annum, to get present value. From this value deduct the present value of the future interest charges that must be met to supply the constantly increasing capital needed to produce future earnings. The net result is the present going concern value.

INVENTORY

The matter of making an inventory of the physical property of a water works plant can be divided into two divisions which may be roughly classified as field and office work.

The field classification covers the listing of all property that can be actually visualized in the field. Where prices are affixed in such field lists, they must be considered merely as supplementary information, and should, in no case, be used by the office force for final results unless properly verified.

To simplify the field work and insure uniformity of results, proper blanks should be prepared for the use of the field force, covering the various classes of items that are to be listed. As models for such blanks or forms, the forms used by the Wisconsin Commission for this purpose are suggested, as they are probably the best now in existence. All field notes should be kept in duplicate, preferably by using carbon sheets for making duplicates. The original sheets should be turned in to the office force at intervals not more than one week apart, and the duplicate retained by the field force. A proper system of numbering should be used, and each article listed should have its number plainly marked on it, to prevent confusion or duplication. In the event of further information being obtained about an article listed, or errors being discovered in a like case, corrections should be made on the field copy, and the office notified on a special form as to the corrections to be made, giving serial number, etc.; carbon copy of such correction sheet to be held by field force and attached to its records. In all cases condition of article should be noted, and, in the case of supplies and tools, the designation might be, new, used, still usable, and scrap. In listing machinery, boilers, etc., the Wisconsin classification of G, F and P may be used to advantage. In the Wisconsin code "G" indicates that the item is to be depreciated for age only; "F" indicates a 90 per cent of "G" value, and "P" indicates an 80 per cent of "G" value.

While the field force is organizing and getting started, the office force should be employed in making up as far as possible a separate inventory from such records as are available. This inventory will serve as a check on the work of the field force; in the case of any glaring discrepancies try to obtain an explanation or adjustment of the same.

Some items will probably only be obtainable from the records. The office force must also prepare lists of standard prices that will be applied in making up the costs to be adopted. After the lists are all made up, prices applied, extensions made and preliminary summaries compiled, it would be well to have the main items looked over in the field by experienced engineers, to determine the actual depreciation as compared with that determined by the field observers, or computed by the office force.

The determination of the proper prices to be used, and extent of depreciation, are the two most delicate factors that occur in the physical valuation, and must be handled with care. To cover errors and omissions it is the custom nowadays to add an allowance of from 5 per cent to 15 per cent of the total inventory value to such value.

The various factors that make up the inventory are briefly as follows:

Mains, valves, hydrants, etc.

For a schedule of mains the records will, as a rule, have to be depended upon; the valves and hydrants can be checked up by the field force. The field force will have to note condition and class of pavement, supervise such excavations as are made for getting at depth of cover and condition of mains. The office force will have to make up the schedule proper, and get what additional information is required in the matter of pavements. Where grave discrepancies between records and field notes exist, or where no records are available, it will be necessary to get at the facts by actual location of gates and hydrants in the field with excavations at intervals to determine sizes of mains. Cost of such extra work should be charged to the water company.

Structures

All large structures such as filters, reservoirs, intakes, etc., will, in case plans or records of their construction are in existence, have such plans or records checked by the field force. Where no plans or records are available, the field force will be required to make such surveys and notes as are needed in order to get at quantities. Conditions must be noted in all cases. It may be noted here that it is more than probable that, in the absence of records, the cost obtained will be less than the actual original cost.

Buildings

What has been said about other structures holds good for this item also. In no case should the cost or value assumed be based on cubical contents only.

Boilers, machinery, pumps, etc.

Each boiler pump, feed pump and main auxiliary should be listed separately. All steam piping, fittings, valves and pipe covering should be listed separately as to size, condition, age, and all obtainable information should be noted carefully. All suction and discharge piping should be listed in detail. Foundations for boilers and machinery should be listed in detail, with particulars of nature of soil, ground water elevation, etc.

Driven wells

Where driven wells form the source of supply, the field force can do but little more than get the number of wells, etc., size of casing and total depth. If no records are available on size, length and nature of strainer, a very small allowance should be made for same. It might, in some cases, be necessary to withdraw and redrive a well in order to settle disputed points.

Supplies, tools, etc.

Items under this heading should be listed as far as possible in bulk; where new, by original packages, and where in use, an average condition should be determined for each class of article.

Land

As a rule this item is taken care of by the office force, but the field force should be instructed to note character of adjacent land, nature of improvements, etc. As to prices or values the engineer must needs depend upon the expert opinion of nearby real estate appraisers. The socalled "Sales Method" sometimes used for getting at values is merely a systematic collection of data, and comparison of the same, based on the records of sales, transfers, etc., of property in the neighborhood of, and having like conditions as the land to be appraised. Two interpretations of this method are used, the one being an average unit price per acre, lot, etc., such unit price being applied to the like unit of property to be valued; the other interpretation being based on same data, but comparing the assessed values of the known and the to-be-valued properties.

Water rights

These are in most cases bound up with land values, although in some cases a separate distinct value may be in order. In case of a large supply taken from a large lake or river that is equally available for others, no water right value can exist; on the other hand, if the water company controls the only nearby source of supply, or has, by reason of franchise rights or special laws, a practical monopoly of the only reasonable source of supply, a value exists that will probably have to be paid for.

Intangible values

Apart from the value of the physical property, every water works plant has an intangible value that may be composed of one or more factors of its existence. The determination of such intangible value is the hardest problem that faces the appraiser, and it is not easy to give any fixed rules for this purpose. As to the main factor, the socalled "going concern" value, the recent decisions of the courts seem to indicate that it is the present measure of the business value, and not what it actually cost to establish the business. If this view be taken the method proposed by Mr. Alvord probably will fix the lines along which the appraiser will work. On the other hand, if the actual cost of establishing the business be taken as the measure of its going value, the method used by the Wisconsin Commission in the Antigo case will probably be followed.

Where a direct value exists, such as a net income over and above all operating interest and other charges, due to a franchise that fixes rates, the present value of such income for the remaining life of the franchise is easily determined. While very little discrepancy need exist in physical values arrived at by different appraisers, the speculative elements that enter into the determination of intangible values are of such a nature as to make it a very hard matter for even the fairest minded appraisers to agree on such intangible values.

CONCLUSION

In general, the acquisition of a water works plant by a municipality, whether it be by agreement or condemnation, is in its last analyses analagous to the purchase of any other mercantile business. The stock in trade, apparatus, fixtures, etc., in either case are inventoried and valued at what they are supposed to be worth at the time of purchase, and not at what they may have cost, or may be worth at some future date. The land values are taken as they exist, and if, by reason of special location or fitness, such land has a greater value than adjacent property, such value is paid for. The goodwill of the private business finds its counterpart in the "going concern" value of the water works, and if finally, by reason of some special process or patent, the private business has a special additional value, such value also exists for the water works company that has a franchise fixing rates that give it more than a normal return on its investment, and in both cases such special values must be paid for.

TABLE NO. 1

Franchise Conditions in Various States

New Jersey:

Franchise life limited to thirty-three years, but may be made sixty-six years by a majority vote of the votes of the district or town involved.

Greater New York Charter:

Franchise life on original grants to be not more than twenty-five years. A renewal of twenty-five years at a valuation is allowed.

Illinois:

Maximum franchise life twenty years.

Ohio:

Maximum franchise life twenty-five years.

Michigan:

Maximum franchise life thirty years. The New Michigan constitution provides that all franchises granted, except such as may be revoked at will, require the affirmation vote of 60 per cent of the electors of the city granting the franchise.

Massachusetts:

Any franchise may be revoked at any time after the expiration of one year from the date of the franchise.

Wisconsin, 1907:

All future grants and all authorized companies that surrender original grants are to receive indeterminate franchises.

New York State:
In 1892 the franchise term for all water supply companies on franchises granted by municipal officers was made ten years.

District of Columbia:
Indeterminate franchises.

Porto Rico:
Indeterminate franchises.

Maine:
Indeterminate franchises.

Philippine Islands:
Indeterminate franchises.

TABLE 2

Going Concern Value Decisions

1. Kansas City Water Works: United States Circuit Court of Appeals in 1894. Added for established business to value to be paid. This is the leading case in such matter.
2. Gloucester, Massachusetts: Water Plant Purchase, 1899–1901. Allowance made for Going Concern Value.
3. Bristol, Rhode Island. Water Plant Purchase, 1901. Going Concern Value not allowed.
4. Mobile, Alabama. Water Plant Purchase, 1903. Going Concern Value not allowed.
5. Galena, Kansas. Water Works Purchase 1910. Going Concern Value allowed.
6. Maine, 1902 and 1904. Going Value allowed.
7. Omaha, Nebraska. Case, May 31, 1910. United States Supreme Court, 218 U. S. 180, 30 Sup. Ct., 615, 54 L. ed 991. Going Value was allowed.

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